

Quadrant 4 System Reports Record 2013 Financial Results

Revenue Increased 41% and EBITDA Increased 46% Year-Over-Year

ROLLING MEADOWS, Ill., March 17, 2014 (GLOBE NEWSWIRE) -- Quadrant 4 System (OTCQB: QFOR) ("Quadrant 4" or the "Company") reports record financial results for the fiscal year ending December 31, 2013.

Fiscal Year 2013 Financial Highlights:

- Revenue increased 41% year-over-year to \$37.3 million
- Gross profit increased 51% year-over-year to \$9.6 million
- Gross margin percentage improved to 26% from 24% in the year-ago period
- EBITDA increased 46% year-over-year to \$4.4 million
- Net loss decreased 27% year-over-year to \$4.1 million
- Net loss per share decreased 45% year-over-year to \$0.06 per share

Dhru Desai, Chairman of the Board and Chief Financial Officer, stated, "We ended 2013 on extremely solid financial footing, with record top-line results. A combination of organic growth throughout our core business segments and substantial contributions from prior acquisitions drove our performance higher. By leveraging this expanding base of business; and interest in our private health care exchange continuing to build, we believe we are set for an explosive growth in 2014."

"Recurring revenues continue to account for more than 70% of our total sales, and with our health exchange pipeline now at 25 opportunities representing approximately 19 million potential covered lives, and five private exchange implementations underway, we believe we're well positioned to see this number grow substantially in the coming quarters," continued Desai. "We have already enrolled 50,000 members and estimate our exchanges will connect between 2.5 million to 3 million new members by the fourth quarter of 2014. With revenue per member of between \$2 and \$6 per month, the overall opportunity in front of us is tremendous, and we will continue to devote significant efforts toward strengthening our position in the private exchange market, which is estimated at greater than 100 million people."

Desai continued, "Other growth drivers include our cloud-based RetailSphere platform, which saw dozens of completed implementations for retailers and franchises in 2013. A SaaS technology providing complete store management solutions, including transaction processing, inventory management, logistics, marketing, and other Business Intelligence/Analytics functions, RetailSphere addresses a sizeable market, estimated to exceed \$3 billion."

Revenue for the fiscal year increased 41% to \$37.3 million, compared to \$26.6 million in 2012. The increase in revenue was primarily due to organic and inorganic growth in the Company's customer base. Revenue was comprised of service-related sales of software programming, consulting, and development services. Gross profit increased 51% to \$9.6 million in fiscal year

2013, compared to \$6.4 million in 2012. Gross margin percentage improved to 26% in fiscal year 2013, compared to 24% in year ago period.

Earnings before interest, taxes, depreciation and amortization increased 46% to \$4.4 million, compared to \$3.0 million in 2012. Net loss decreased 27% to \$4.1 million in fiscal year 2013, compared to \$5.7 million in 2012. GAAP net loss per common share decreased 45% year-over-year to \$0.06 per share.

"We reduced our debt by nearly 45% in last two quarters of 2013 and added significant cash to our balance sheet. Our track record of double-digit revenue growth is projected to continue in 2014, and we expect to reach profitability for the year post non-cash charges," stated Desai. "Our continually improving financial performance recently garnered the attention of Sidoti & Company, who initiated research cover on Quadrant 4 with a buy rating. As we strive to strengthen and expand all of our operating divisions in 2014, we anticipate interest in Quadrant 4 will continue to grow."

Conference Call Information:

Quadrant 4 will hold a conference call on Wednesday, March 19, 2014, at 11:00 a.m. ET to discuss its results. To participate in the call, please dial (877) 941-4774 or (480) 629-9760 for international calls, approximately 10 minutes prior to the scheduled start time. Interested parties can also listen via a live Internet webcast, which can be found via the Company's website at <http://qfor.com/Investors.php>, or alternately at <http://ViaVid.net>.

A replay of the call will be available for two weeks from 2:00 p.m. ET on March 19, 2014, until 11:59 p.m. ET on April 2, 2014. The number for the replay is (877)-870-5176, or (858) 384-5517 for international calls; the passcode for the replay is 4671924. In addition, a recording of the call will be available via the Company's website at <http://www.qfor.com>.

About Quadrant 4 System Corporation

Quadrant 4 System is an IT software company that develops and implements mission-critical cloud-based enterprise systems for both Fortune 500 companies and smaller enterprises. With over 1000 associates around the globe, Quadrant 4 Systems services over 150 companies worldwide. The company is a leading provider of Health Exchange platforms (QHIX) and a proprietary set of SMAC (social media, mobility, analytics and cloud computing) technology solutions to enterprise clients in the Financial Services, Health Care, Retail and Manufacturing sectors. More information about Quadrant 4 System can be found at <http://www.qfor.com>.

Forward-Looking Statements

This release contains forward-looking statements, which are subject to the inherent uncertainties in predicting future results and conditions. Any statements that are not statements of historical fact should be considered to be forward-looking statements. Certain factors could cause actual results and conditions to differ materially from those projected in such forward-looking

statements. We do not undertake any obligation to release publicly revised or updated forward-looking information, and such information included in this release is based on information currently available and may not be reliable after this date.

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